



**DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE STATE BOARD OF ACCOUNTANCY
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MINUTES

TENNESSEE STATE BOARD OF ACCOUNTANCY TELEPHONIC MEETING

January 7, 2002

The meeting of the Tennessee State Board of Accountancy convened via telephonic conference in the Davy Crockett Tower, Nashville, Tennessee on January 7, 2002 at 10:00 am.

Members present via telephone were Dan Johnson, Chairman; Mark King, Grady William, Mickey Ison, Mark Layne and Charles Fraiser.

Present at the physical location of the Davy Crockett Tower was Darrel Tongate, Executive Director; David Curbo, Vice-Chairman; Micheal Vaughn, Secretary; Connaught O'Connor, Staff Counsel and Leona Holston, Administrative Assistant.

Micheal Vaughn called roll. Dan Johnson called the meeting to order and asked everyone to refer to Darrel's memo of January 4, 2002 which recapped other state board comments regarding the computerized CPA exam. (Copy attached as item #1)

Darrel made a brief review of the CBT fee memo from David Costello. (Copy attached as item #2) Items to take into consideration that would be affected by the CBT include: taking all parts not passed, total cost for an individual to pass the complete exam and Prometric and MicroMash being sister companies and Board of Examiners (BOE) control.

Dan Johnson asked if there was anything in the proposed contract that anyone thought was a deal killer? Darrel Tongate read from the memo what other states believe are deal killers. A lengthy discussion took place including concerns from David Curbo and Mark King regarding the scoring system (curve grading); Mickey Ison voiced concern regarding the length of the contract, 7 years being too long. Our contract is with NASBA not the AICPA. NASBA will have a contract with the AICPA. Connaught O'Connor asked if the minor problems to be addressed are enough concern to prevent the Board from going forward? David Curbo didn't believe so.

The three main concerns agreed upon are 1) cost-can we do anything to decrease the cost. 2) Board Authority to oversee -- imperative that we can go out to the sites and observe. 3) Pass Rate-- being artificially scored to control pass rate. Connaught O'Connor related to the Board that they need to decide what Dan Johnson should do if these issues do not get resolved. David Curbo motioned to delegate to Dan Johnson full authority on 01-09-02 to vote for the Tennessee Board as he sees fit. Micheal Vaughn seconded the motion. It was voted on and passed.

There being no further business to come before the Board, Grady Williams moved to adjourn, David Curbo seconded. Dan Johnson adjourned the meeting.

Approved by:

CHAIRMAN